

Message Text

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ACTION STR-07

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 SSO-00 INRE-00
NSCE-00 ICAE-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 PA-01 CTME-00 AID-05 SS-15 ITC-01
TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 DOEE-00 AF-10
ARA-10 EA-10 NEA-11 OIC-02 /153 W
-----105031 161850Z /47

O 161836Z JUN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC IMMEDIATE 0964
INFO AMEMBASSY BRUSSELS

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USMTN

USEEC

PASS STR ELECTRONICALLY FOR ACTION
STR PASS CODEL

E.O. 11652: N/A
TAGS: ETRD, MTN
SUBJECT: BORDER TAX ADJUSTMENTS

1. IN RECENT DAYS I HAVE REMINDED OTHER DELEGATIONS OF THE DEEP-SEATED CONCERNS OF MANY INDUSTRIAL ADVISORY GROUPS IN THE U.S. AND MEMBERS OF CONGRESS ABOUT THE DIS-EQUILIBRIUM INHERENT IN GATT TREATMENT OF REBATES OF INDIRECT VERSUS DIRECT TAXES. I HAVE SUGGESTED THAT ALTHOUGH THIS ROUND OF NEGOTIATIONS MAY NOT SETTLE THE ISSUE, THE U.S. RESERVES THE RIGHT TO REDRESS ANY TRADE DISTORTING EFFECTS WE EXPERIENCE FROM BORDER TAX ADJUSTMENTS AND WILL LIKELY BE PRESSING FOR WAYS TO DO SO.

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2. ONE POSSIBILITY, EVEN AS A DECLARATION BEFORE THE END OF THE TOKYO ROUND, IS TO CALL FOR A RECONVENING OF THE GATT WORKING PARTY ON BORDER TAXES, WHICH DIRECTOR GENERAL LONG SAYS STILL EXISTS. ONE AIM MIGHT BE TO HAVE THAT GROUP CONSIDER ESTABLISHING A CONSULTATIVE ARRANGEMENT ON BTA'S. THIS COULD INCLUDE A REQUIREMENT FOR NOTIFICATION

OF BTA'S EMPLOYED BY CONTRACTING PARTIES, A MONITORING
ACTIVITY TO OBSERVE AND REPORT SHIFTS IN BTA TAX PRACTICES,
AND PERHAPS EVEN A DISPUTE MANAGEMENT FRAMEWORK FOR
REVIEWING EXTREME CASES.

3. AT LEAST ONE DELEGATION (CANADA) WITH WHOM I HAVE
DISCUSSED THIS BTA CONSULTATIVE ARRANGEMENT WOULD SUPPORT
SUCH AN IDEA. MCDONALD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
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Current Classification: UNCLASSIFIED
Concepts: BORDER CONTROLS, TAXES, AMENDMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation History:
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Review Release Event: n/a
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Status: NATIVE
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